

AMENDED IN SENATE AUGUST 23, 2001

AMENDED IN SENATE JULY 18, 2001

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

Assembly Concurrent Resolution

No. 32

Introduced by Assembly Member Dutra
(Coauthor: Senator Karnette)

February 28, 2001

Assembly Concurrent Resolution No. 32—Relative to transportation funding.

LEGISLATIVE COUNSEL'S DIGEST

ACR 32, as amended, Dutra. Transportation: funding.

This measure would request the California Transportation Commission, working with the Department of Transportation in consultation with regional transportation planning agencies, to prepare and submit to the Legislature, as specified, a study of potential decreases in transportation revenues for transportation planning agencies. The study would identify specified transportation funding elements and suggest legislative and other remedies to address potential funding shortfalls.

Fiscal committee: yes.

1 WHEREAS, The State of California is expected to experience
2 dramatic population growth of nearly 11 million persons in the
3 next 20 years, while relatively little new funding is expected for
4 new highway construction or additional public transit if the state
5 continues to rely on existing revenue sources; and

1 WHEREAS, Even with new revenues, it will be difficult for the
2 state to maintain the existing transportation system and target its
3 remaining resources to the best performing investments; and

4 WHEREAS, Transportation planning agencies throughout the
5 state are responsible for preparation of the Regional
6 Transportation Plans (RTP) and the Regional Transportation
7 Improvement Programs (RTIP) under Sections 65080 and 65082
8 of the Government Code; and

9 WHEREAS, Transportation planning agencies are dependent
10 on transportation revenue available under Section 7104 of the
11 Revenue and Taxation Code, relating to the Transportation
12 Investment Fund; and

13 WHEREAS, The reasons for the revenue shortfall in funding
14 the state's transportation system; include the projected loss of
15 gasoline tax revenues, the projected costs of operating and
16 maintaining the existing transportation system, and the end of
17 existing local transportation sales taxes in several counties
18 throughout California; and

19 WHEREAS, Technological improvements required to meet
20 emission reductions will result in a motor vehicle fleet that will
21 likely consume less gasoline and rely on alternative energy
22 sources; and

23 WHEREAS, The potential market penetration of alternative
24 fuel vehicles, in addition to more fuel-efficient vehicles, would
25 erode the revenues generated by gasoline sales and would diminish
26 the gas tax as a reliable source of transportation revenue; and

27 WHEREAS, Further potential erosion of transportation
28 revenues may be caused by increases in Internet spending, in
29 which consumers do not pay local and state sales taxes; and

30 WHEREAS, Local sales taxes for transportation as well as
31 Transportation Development Act revenues, which are derived
32 from a $\frac{1}{4}$ percent sales tax, would be directly impacted by the
33 current trends in retail sales; and

34 WHEREAS, Much of the revenue for transportation generated
35 from excise taxes, sales taxes, or transit fares, depends on overall
36 economic conditions; and

37 WHEREAS, Transportation planning agencies throughout
38 California may be experiencing *experience* revenue shortfalls in
39 the event of a potential decrease in state transportation revenue;
40 and



1 WHEREAS, Funding shortfalls throughout the state would
2 likely result in the inability of governments to maintain and make
3 improvements in the existing state transportation system; now,
4 therefore, be it

5 *Resolved by the Assembly of the State of California, the Senate*
6 *thereof concurring*, That it is in the best interest of the people of
7 the State of California to prepare a careful study of potential
8 decreases in transportation revenue affecting transportation
9 planning agencies in California; and be it further

10 *Resolved*, That the California Transportation Commission,
11 working with the Department of Transportation *and* in
12 consultation with the regional transportation planning agencies
13 authorized to prepare and adopt regional transportation plans
14 under Sections 65080 and 65082 of the Government Code, is
15 requested to produce and submit to the Assembly and Senate
16 Committees on Transportation, by January 1, 2003, a study of
17 potential decreases in transportation revenue for transportation
18 planning agencies, including, but not be limited to, identifying all
19 of the following:

20 (1) Whether a decrease may potentially occur in transportation
21 revenue available to transportation planning agencies under
22 Section 7104 of the Revenue and Taxation Code, relating to the
23 Transportation Investment Fund.

24 (2) Whether transportation planning agencies in California are
25 likely to in fact experience funding shortfalls from the potential
26 expiration of local transportation sales taxes, a decline or leveling
27 in state-supplied revenues and funding assistance, or shortfalls in
28 other funding sources.

29 (3) Whether transportation planning agencies are anticipating
30 transportation funding shortfalls and how those agencies are
31 addressing the potential shortfalls.

32 (4) Whether cities, counties, or cities and counties are likely to
33 experience transportation funding shortfalls from insufficient,
34 declining, or expiring funding sources.

35 (5) Suggested legislative and other remedies to address
36 potential funding shortfalls; and be it further

37 *Resolved*, That the Chief Clerk of the Assembly transmit copies
38 to the California Transportation Commission, the Department of

- 1 Transportation, regional transportation planning agencies, and to
- 2 the fiscal and transportation policy committees of the Legislature.

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